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TAXABLE YEAR **2006**

Trust Accumulation of Charitable Amounts

CALIFORNIA FORM **541-A**

For calendar years only.

Name of trust

FEIN

Name of trustee(s)

Address of each trustee (number and street, including suite number, PO Box, rural route, or PMB no.)

City | State | ZIP Code

This return must be filed on or before April 16, 2007. Mail to:

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0002.

DO NOT ATTACH TO FORM 541

(If more space is needed, please attach a separate list.)

ANSWER THESE QUESTIONS:

1 Date trust was created ● M M D D Y Y Y Y

2 Were any of the trustees residents of California during any portion of the taxable year? ☐ Yes ☐ No

3 Was the grantor or settlor of the trust a resident of California during the taxable year of the trust? ☐ Yes ☐ No

4 Name and address of grantor or settlor ______________________

5 Have you filed a return on Form 541 for the year covered by this return? ☐ Yes ☐ No

6 Do any of the amounts shown on the face of this return differ from the corresponding amounts reported on federal Form 1041-A? ☐ Yes (attach a schedule explaining the differences) ☐ No

7 Are you required to file federal Form 990-T for the unrelated business and/or lease indebtedness income? ☐ Yes ☐ No

Part I Income and Deductions. See instructions for Form 541. If total income is $25,000 or less, skip line 1 through line 8 and enter total income on line 9.

Income	1 Interest income	1	
	2 Dividends	2	
	3 Business income or (loss). Attach federal Schedule C or C-EZ (Form 1040) ●	3	
	4 Capital gain or (loss). Attach Schedule D (541) ●	4	
	5 Rents, royalties, partnerships, other estates and trusts, etc. Attach federal Schedule E (Form 1040) ●	5	
	6 Farm income or (loss). Attach federal Schedule F (Form 1040) ●	6	
	7 Ordinary gain or (loss). Attach Schedule D-1 ●	7	
	8 Other income. State nature of income ▶ ________ ●	8	
	9 **Total income.** Add line 1 through line 8 ●	9	
Deductions	10 Interest	10	
	11 Taxes	11	
	12 Charitable deduction. Itemize by charitable purpose; include payee's name and address. See instructions for Part II and Part III ●	12	
	13 Trustee fees ●	13	
	14 Attorney, accountant, and return preparer fees ●	14	
	15 Other deductions. Attach schedule ●	15	

Part II Distributions of Income Set Aside in Prior Taxable Years for Charitable Purposes. See instructions.

16	Accumulated income set aside in prior taxable years for which a deduction was claimed under IRC Section 642(c) ●		16	
17	Income set aside in prior taxable years for which a deduction was claimed under IRC Section 642(c) and which was distributed during the current taxable year. Itemize by charitable purpose; include payee's name and address.			
	a ________	17a		
	b ________	17b		
	c ________	17c		
18	Total. Add line 17a through line 17c ●		18	
19	Balance. Subtract line 18 from line 16		19	
20	Income set aside during the current taxable year for which a deduction was claimed under IRC Section 642(c) (included in Part I, line 12)		20	
21	Carryover. Add line 19 and line 20 ●		21	

Part III Distributions of Principal for Charitable Purposes

22	Principal distributed in prior taxable years for charitable purposes ●		22	
23	Principal distributed during the current taxable year for charitable purposes. Itemize by charitable purpose; include payee's name and address.			
	a ________	23a		
	b ________	23b		
	c ________	23c		
24	Total. Add line 23a through line 23c ●		24	

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Part IV Balance Sheet. If line 9 is $25,000 or less, complete only line 38, line 42, and line 45. If books of account do not agree, please reconcile all differences.

Assets				(a) Beginning-of-Year Book Value	(b) End-of-Year Book Value
25 Cash — non-interest bearing			25		
26 Savings and temporary cash investments			26		
27 a Accounts receivable	27a				
b Less: allowance for doubtful accounts	27b				
28 a Notes and loans receivable	28a				
b Less: allowance for doubtful accounts	28b				
29 Inventories for sale or use			29		
30 Prepaid expenses and deferred charges			30		
31 Investments — U.S. and state government obligations. Attach schedule			31		
32 Investments — corporate stock. Attach schedule			32		
33 Investments — corporate bonds. Attach schedule			33		
34 a Investments — land, buildings, and equipment: basis	34a				
b Less: accumulated depreciation	34b				
35 Investments — other. Attach schedule			35		
36 a Land, buildings, and equipment (trade or business): basis	36a				
b Less: accumulated depreciation	36b				
37 Other assets. Describe. ▶ ____			37		
38 **Total assets**. Add line 25 through line 37 (Must equal line 46)			38	●	●
Liabilities					
39 Accounts payable and accrued expenses			39		
40 Mortgages and other notes payable. Attach schedule			40		
41 Other liabilities. Describe. ▶ ____			41		
42 **Total liabilities.** Add line 39 through line 41			42		
Net Assets					
43 Trust principal or corpus			43	●	●
44 Undistributed income and profits			44	●	●
45 Total net assets. Add line 43 and line 44			45		
46 **Total liabilities and net assets**. Add line 42 and line 45			46		

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ ____ Signature of trustee or officer representing trustee | Date ● | Trustee's SSN/FEIN

Paid Preparer's Use Only

Preparer's signature ▶ | Date | Check if self-employed ▶ ☐ ● | Paid preparer's SSN/PTIN

Firm's name (or yours, if self-employed) and address ▶ ● | FEIN

Instructions for Form 541-A

Trust Accumulation of Charitable Amounts

General Information

In general, California law conforms to the Internal Revenue Code (IRC) as of January 2005. However, there are continuing differences between California and federal law. When California conforms to federal tax law changes, we do not always adopt all of the changes made at the federal level. For more information regarding California and federal law, visit our Website at **www.ftb.ca.gov** and search for **conformity**. Additional information can be found in FTB Pub. 1001, Supplemental Guidelines to California Adjustments, the instructions for California Schedule CA (540 or 540NR), and the Business Entity tax booklets.

Note, the instructions provided with California tax forms are a summary of California tax law and are only intended to aid taxpayers in preparing their state income tax returns. We include information that is most useful to the greatest number of taxpayers in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the tax booklets. Taxpayers should not consider the tax booklets as authoritative law.

Internet Access

You can download, view, and print California tax forms and publications from our Website at **www.ftb.ca.gov**.

A Purpose

Use Form 541-A to report the charitable information required by California Revenue and Taxation Code (R&TC) Section 18635.

B Who Must File

A trustee must file a calendar year Form 541-A for a trust that claims a charitable or other deduction under IRC Section 642(c) or for a charitable or split-interest trust. However, Form 541-A is not required for any taxable year if the trustee is required by the terms of the governing instrument and applicable local law to currently distribute all of the income of the trust for such year.

A charitable trust is a trust which:

- Is not exempt from taxation under R&TC Section 23701d; and
- Has all the unexpired interests devoted to charitable purposes described in IRC Section 170(c); and
- Had a charitable contribution deduction allowed for all the unexpired interests under the R&TC.

A split-interest trust is a trust which:

- Is not exempt from taxation under R&TC Section 23701d; and
- Has some of the unexpired interests devoted to one or more charitable purposes as described in IRC Section 170(c); and
- Has amounts in trust for which a charitable contributions deduction was allowed under the R&TC. Pooled income funds, IRC Section 642(c)(5); charitable remainder annuity trusts, IRC Section 664(d)(1); and remainder unitrusts, IRC Section 664(d)(2); are considered split-interest trusts for which the trustee must file Form 541-A for the taxable year.

Simple trusts which received a letter from the Franchise Tax Board granting exemption from tax under R&TC Section 23701d are considered to be corporations for tax purposes. The trust may be required to file Form 199, California Exempt Organization Annual Information Return.

Nonexempt charitable trusts, described in IRC Section 4947(a)(1), must file Form 199.

C When to File

File Form 541-A on or before April 16, 2007. However, if you need additional time to file, California grants an automatic six-month extension.

If the tax return is filed by the 15th day of the 10th month following the close of the taxable year (fiscal year) or by October 15, 2007 (calendar year), the extension will apply.

D Where to File

Mail Form 541-A to:

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0002

Specific Instructions

Private Mailbox

Include the Private Mail Box (PMB) in the address field. Write the acronym “PMB” first, then the box number. Example 111 Main Street PMB 123.

Part II and Part III

Attach a statement describing in detail the purpose for which charitable disbursements were made from income set aside in prior taxable years and amounts which were paid out of principal for charitable purposes. Examples of appropriate descriptions are: payments for nursing service, laboratory construction, fellowships, or assistance to indigent families (not simply charitable, educational, religious, or scientific).

Part IV

If the balance sheet does not agree with the books of account, all differences must be reconciled in an attached statement.